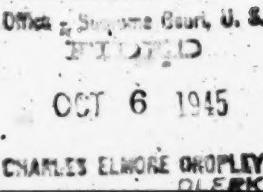


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Supreme Court of the United States

October Term, 1945

No. 54

SCOTT PAPER COMPANY,

Petitioner,

vs.

MARCALUS MANUFACTURING COMPANY, INC.,
and NICHOLAS MARCALUS,

Respondents.

ON WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT
COURT OF APPEALS FOR THE THIRD CIRCUIT

BRIEF FOR RESPONDENTS.

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INDEX

	PAGE
Opinions of the Courts Below	1
Statement of the Case	1
Summary of Argument	5
Argument	
POINT I—The Doctrine of <i>Westinghouse v. Formica</i> (266 U. S. 342) Is Dispositive of This Case	6
POINT II—Public Policy As Affecting Patents Also Is Determinative of the Case	15.
Conclusion	20

Table of Cases.

	PAGE
Bresnick et al. v. Vitamin Corp., 139 F. (2d) 239	16
Brown v. Piper, 91 U. S. 37	16
Lectophone Corp. v. Rola Co., 27 F. (2d) 528	20
Leo Feist Inc. v. Young, 138 F. (2d) 972	13
Mercoid Corp. v. Mid-Continent Investment Co., 320 U. S. 661	16, 19
Nachman Spring Corp. v. Kay Mfg. Co., 139 F. (2d) 781	18
Solar Electric Co. v. Jefferson Electric Co., 371 U. S. 173	18
Tostevin-Cottie Mfg. Co. v. V. M. Ettinger, 254 Fed. 434	8
Westinghouse Elec. & Mfg. Co. v. Boyden Power Brake Co., 170 U. S. 536	8, 11
Westinghouse Elec. & Mfg. Co. v. Formica, 266 U. S. 342	2, 7, 8, 11, 13

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BRIEF FOR RESPONDENTS.

Opinions of the Courts Below.

The opinion of the District Court for the District of New Jersey appears on page 1 of the record, and is reported in 54 F. Supp. at page 105.

The opinion of the Circuit Court of Appeals for the Third Circuit appears on page 23 of the record, and is reported in 147 F. (2d) at page 608.

Statement of the Case.

None of the facts of the case is in dispute, and they are correctly stated at length, without criticism by petitioner, in the opinion of the Court of Appeals on pages 24-26, inclusive of the record. Because the "Statement of the Case" in petitioner's brief is mixed with argument so as to

form an argumentative basis for the "question" presented on page 5 thereof (which question, as worded, is *not*, in fact, presented by this cause), it is deemed desirable to tersely state the undisputed facts material to the simple, single question actually before the Court.

1. Respondent believed he had made an invention in a machine for manufacturing an unpatented commodity.¹

2. Respondent made application for patent for the machine he had invented, which application was filed on December 4, 1930; and at the same time respondent assigned the invention, application for patent, and patent, if and when granted, to the petitioner company of which he was joint owner.²

3. Around December 1931, because of unpleasantness which had arisen between them, respondent severed his connections with petitioner and organized his own company to engage in the manufacture and sale of the unpatented commodity. There was no agreement of any kind or nature whatsoever, expressed or implied, that respondent would not compete with petitioner in the manufacture and sale of the unpatented commodity, and at no time in this case has there been any question raised by petitioner as to the propriety of his so doing (see Footnote 3 in the opinion of the Court of Appeals below at page 25 of the record).

4. Needing a machine for the purpose of manufacturing the unpatented commodity, respondent went to the prior art as exemplified by patents which had expired and were

¹ For the purposes of this case the respondents will be regarded as one.

² Throughout this brief by reference to "petitioner" is meant Automatic Paper Machinery Company, Inc. for whom Scott Paper Company has been substituted by reason of acquisition of title to the patent subsequent to the grant of writ of certiorari by this Court.

free for use by everyone. As a result, he found Inman Patent No. 1,063,851, granted August 27, 1912 (R. 18). This patent had *expired* on August 27, 1929—*more than three months before respondent's invention of and application for the patent in suit*, which, as above stated, was made on December 4, 1930.⁸

5. Respondent thereupon constructed a machine which was an exact copy of that of the expired Inman patent, and proceeded therewith to manufacture and sell the unpatented commodity in competition with petitioner. The complete identity of respondent's machine with that of the Inman patent is not disputed; and the Court of Appeals below in its opinion correctly described respondent's accused machine as "a Chinese copy" of the machine of the Inman patent (R. 25, fol. 71; R. 31, fol. 77).

6. Petitioner thereupon instituted the present suit charging respondent with infringement of his patent which he had assigned to petitioner, by reason of respondent's use of the Inman machine. The complaint prayed for an injunction restraining respondent from continuing the use of the machine of the expired Inman patent, as well as for an accounting for the profits respondent had made because of the use thereof.

7. The case came on for hearing on application—joined in by counsel for both petitioner and respondent—for summary judgment on the undisputed facts; and here begins the departure from the "Statement of the Case" as recited by petitioner's brief.

8. It was agreed by everyone that the *only* issue before the Trial Court was "infringement"—i. e., whether or not,

⁸ No effort was made to carry the date of invention of the Marcalus patent in suit back of its filing date, viz.: December 4, 1930. Accordingly, that is the earliest date to which the patent is entitled for the making of the "invention" therein disclosed and claimed.

on the stated facts, the use of a machine, the patent for which had *expired* on August 27, 1929, could be held to infringe a patent the invention of and application for which was not made until *more than three months thereafter*, namely, on December 4, 1930. At no time did respondent either attack or question the validity of his patent.

Thus, the District Court in the last sentence of the opening paragraph of its opinion (R. 2) stated:

“The *only* issue raised in the pleadings of the respective parties is that of infringement”⁴.

and petitioner, in the concluding paragraph of its brief before this Court (p. 21) expressly states that the *validity* of the patent in suit is *not an issue in the case*.

9. Despite these undisputed facts, petitioner has framed its “Statement of the Case”, in effect (and on p. 3 of its brief almost by direct assertion), to imply that respondent, by means of the expired Inman patent, is really attacking the *validity* of the patent which he assigned. This is not the fact, as we have shown. The Inman patent was used by respondent under the rule of this Court as stated in *Westinghouse Electric & Mfg. Co. v. Formica*, 266 U. S. 342, solely for the purpose of establishing non-infringement—and it seems to be self evident and conclusive that there could be no infringement of respondent’s patent (the invention of and application for which was made on December 4, 1930) by the use of a machine *the patent for which had expired more than three months prior to that date*.

10. The District Court expressly found (R. 6, fol. 7) that the prior Inman patent “*negatives infringement*” of the patent in suit. However, the District Court refused to accord respondent a judgment of non-infringement in ac-

⁴ Emphasis ours throughout this brief.

cordance with his explicit finding to that effect because, in his personal view, the Inman patent not only *negated infringement* of the patent in suit but it *invalidated* it as well. Thus, although the issue of validity of the patent in suit was not before the Court, because the Court, on its own volition, passed upon that issue adversely to the patent and found that in addition to establishing non-infringement the prior Inman patent also anticipated and invalidated the patent in suit, the District Court reached the rather illogical conclusion that the patent in suit was both valid and infringed, and judgment to that effect was entered.

11. On appeal the Court of Appeals reversed and corrected the obvious and palpable error of the District Court on the ground of the rule announced by this Court in *Westinghouse v. Formica, supra*, as well as on the ground of public policy.

12. In consequence, the only question here presented is whether or not a patentee-assignor may utilize prior patented art to limit the scope of the claims of his patent when sued for infringement thereof, and prevent an interpretation of such claims which would include the art prior to his invention, and thereby cease to define his inventive contribution. This Court answered this question in the affirmative on December 8, 1924, in *Westinghouse v. Formica, supra*, so the present case merely involves a reapplication of the sound principle announced in that case.

Summary of Argument.

It is respondent's position in this Court that the judgment of the Court of Appeals below should be affirmed:

- (1) Because the doctrine of *Westinghouse v. Formica, supra*, is completely dispositive of the issue presented.

(2) Because of the public policy upon which the patent laws and the judicial administration of patents are based. And in this connection it is respectfully suggested that this Court might take the opportunity afforded by the consideration of this case to re-examine the question of whether or not, in the absence of fraud or misrepresentation, there should be allowed to be applied in patent cases an equitable doctrine which would estop the assignor of a patent to question the validity of the patent assigned, in the face of the public interest that the monopoly of a patent grant is justified only when the patent is valid.

POINT I.

The doctrine of *Westinghouse v. Formica* (266 U. S. 342) is dispositive of this case.

In that case this Court, speaking through Mr. Chief Justice TAFT, established the rule that a patentee-assignor, when sued for infringement of his patent which he had assigned, may invoke the prior art to narrow the scope and construction of the claims of the patent in support of the defense of non-infringement.

In consequence, and with entire propriety, respondent here invoked the expired Inman patent to limit the claims of the patent he had assigned to petitioner so that no claim of the patent issued on his application for patent filed December 4, 1930 could be infringed by the use of a machine which was "a Chinese copy" of a machine shown, described and claimed by a patent which had expired more than three months prior thereto.

In his Statement of the Case in *Westinghouse v. Formica* (266 U. S. 344), Mr. Chief Justice TAFT reproduced the two claims (claims 11 and 12) which were before the Court

with the charge by the assignee that they had been infringed by the patentee, O'Conor, subsequent to his assignment of the patent. These claims were for a process, and O'Conor was using what the Court referred to as a "one-step" or "single-step" process of the prior art. After holding that it was proper for O'Conor to utilize the prior art to limit the scope of the claims in support of the defense of non-infringement, and after considering the prior art, this Court said (at p. 354) :

"There was indeed nothing new in O'Conor's invention but the two steps of pressure and heat, cooling and baking".

It will be noted that neither claim 11 nor claim 12 recited this two-step process of (1) pressure and heating, and (2) cooling and baking. Notwithstanding this fact, however, this Court said (at p. 354) :

"In view of the art, however, it is very clear that the 11th and 12th claims *must* be read to include as an *essential* element of the combination therein claimed, the two step process. Without this, there was nothing *new* in them in the field to which they applied."

And thereafter the opinion (at p. 355) again commented with respect to those claims that:

" * * * the state of the art *must* limit them."

Thus it will be seen that although the claims *literally* read upon O'Conor's operations, to preserve their validity over the prior art this Court was compelled to read thereinto—and *did* read thereinto—a limitation not appearing therein; and, as thus limited, the claims were not infringed by O'Conor.

The situation presented by the facts of the present case is identical with that of *Westinghouse v. Formica* in all ma-

terial respects. In that case O'Conor's claims 11 and 12, not being expressly limited to the two-step process—the only contribution by the patentee—read literally upon O'Conor's use of the prior art one-step process. Here, the claims of respondent's patent sued on—not being expressly limited to the patentee's contribution—read literally upon the prior art machine of the Inman patent. Therefore, and as above stated, to preserve the validity of O'Conor's claims over the prior art this Court was compelled to read thereinto—and did read thereinto—elements not appearing therein. In so doing this Court did not establish new principles affecting judicial interpretation of patent claims, nor depart from principles theretofore long recognized. In *Westinghouse v. Boyden Power Brake Co.*, 170 U. S. 536 this Court stated (at p. 568):

"But even if it be conceded that the Boyden device corresponds with the letter of the Westinghouse claims, that does not settle conclusively the question of infringement. We have repeatedly held that a charge of infringement is sometimes made out, though the letter of the claims be avoided (cases cited). The converse is equally true. The patentee may bring the defendant within the letter of his claims, but if the latter has so far changed the principle of a device that the claims of a patent, literally construed, have ceased to represent his actual invention, he is as little subject to be adjudged an infringer as one who has violated the letter of a statute has to be convicted when he has done nothing in conflict with its spirit and intent."

More recently, the Second Circuit Court of Appeals tersely stated the same principle in *Tostevin-Cottie Manufacturing Co. v. V. M. Ettinger*, 254 F. 434 in the following language (at p. 435):

"If a claim cannot be read on a defendant's device, there can be no infringement; but if it can be so read, infringement is suggested, not proved. The prior art, as well as the disclosure, must still be studied."

Of course, petitioner is fully aware of the fact that *literal* application of the claims to the alleged infringement is not the legal test of infringement. That is why, in its brief, it is driven to resort to coupling its use of the term "infringement" with the words "*in the ordinary sense*" (*e.g.* pp. 3 and 21)—thereby meaning mere *literal* application of the claims, and deliberately ignoring, as it must, the long established and universally accepted law, instances of which have been given above, that this is *not* the *legal* test of infringement.

From these considerations it is obvious that when the validity of a patent claim is not susceptible to attack because of estoppel, *if* it is proper—*when necessary*—to read into the claim some limitation not appearing therein to distinguish it from the prior art, *a fortiori*, it is proper and necessary to read into the claims of the patent here in suit some limitation which will distinguish them from the expired Inman patent and from respondent's machine copied therefrom.

Both the District Court and the Court of Appeals recognized that the machine of the patent in suit differed from that of the Inman patent used by respondent, in *some* respects. Thus, the District Court found that the machine of the Inman patent as used by defendant differed from the patent in suit in the "arrangement of its structural elements" (R. 4, fol. 5). That, then, in the language of this Court in *Westinghouse v. Formica, supra*, is what was "new" in the patent in suit. That, then, is the limitation that must be read into each of the claims of the patent in suit to enable them to be distinguished from the prior art

so as to preserve their doctrinal validity; and that, then, completely frees respondent from the charge of infringement.

While that difference alone is sufficient for the purposes of this case, a mere comparison of the Marcalus and Inman patents (R. 10d and 18c) shows that the differences between them are radical and many. For example, the pressing and cutting dies of Marcalus, as well as their cooperating anvils, are supported by springs. This enables the cutting edge to be applied and glued to the box *before* the cut edge is severed from its roll. This is a double action, or two-step operation. Nothing of this sort is utilized in the Inman machine of respondent which is a single action machine—the gluing and severance of the cutting edge being effected in one operation. Again, the machine of the Marcalus patent applies the glue in *spots* on the *upper* surface of the non-metallic material, whereas in respondent's machine of the Inman patent the glue is applied *continuously* to the *bottom* surface of the non-metallic material. Additionally, the fibrous material is applied to the cutting and pressing anvil *beneath* the box blank in the Marcalus patent, whereas in the respondent's machine of the Inman patent the non-metallic material is applied *above* the box blank. Indeed, so different are the two machines *structurally* that claims 5, 6, 9, 10 and 11 of the Marcalus patent are not even charged to be infringed. A mere reading of those claims shows that they are addressed to features wholly and concededly absent in respondent's Inman machine; and the *structures* necessary for those features are present in the machine of the Marcalus patent, but are absent from defendant's Inman machine.

The Court of Appeals recognized that there were these differences between the two machines (R. 31, fol. 77—see particularly footnote 9). However, that Court regarded

these differences as "very minor". That undoubtedly is true in the *patentable* sense, but the sole consequence thereof is to show how little, factually, was the contribution of the patent in suit over the prior art. It may well be that the contribution by the patent in suit is so minor in character that anyone, other than respondent, could successfully establish the utter invalidity of the Marcalus patent because of complete anticipation by Inman of every inventive thought disclosed. Respondent cannot do this, however, under the doctrine of the *Westinghouse v. Formica* case and, in consequence, and contrary to petitioner's repetitious assertions throughout its brief, respondent at no time has attacked or questioned the validity of the claims of his patent.

Therefore, on this aspect of the case, we are concerned only with the fact that there is some difference between the machine of the Marcalus patent in suit and that of the Inman patent used by respondent. We are in no sense concerned with the extent of the difference, or whether or not there is a *patentable* difference between them. We are concerned only with the fact that there is a difference. That fact was recognized by both of the Courts below, is undenied by petitioner, and can be conclusively established by a comparison of the patents for the two structures.

Thus, under the doctrine of *Westinghouse v. Formica*, *supra*, to preserve the validity of the claims of the Marcalus patent sued on they

"must be read to include as an essential element of the combination therein claimed" (266 U. S. at p. 354)

the difference between them—whatever it may be—so as to represent the patentee's "actual invention" or contribution over the Inman patent.

However and whatever be the approach, we advance the decision of this Court in *Westinghouse v. Formica*, as direct and absolute authority for the proposition that where, as here, respondent is utilizing the prior expired patented art—available to anyone—he may not be held to infringe a patent subsequently applied for even though he is the patentee or the assignor thereof; and that the Court below committed no error in believing itself duty bound to limit the claims of the patent to mean or include something *different from or in addition to* what was in the public realm because of the expiration of the Inman patent, even though by so doing the claims “must be limited to naught”, as it stated (R. 32, fol. 78). Any other conclusion would make a mockery of the patent laws as well as of the constitutional motive upon which they are based, “to promote the sciences and useful arts”.

The utter absurdity as well as the injustice of any other conclusion is also demonstrated by the implication of the District Court’s opinion, and finds repetitious assertion in petitioner’s brief, namely, that because of the estoppel doctrine respondent is not entitled to the benefit of a judgment in his favor because his defense was too well established. In other words, petitioner here represents that the Inman patent is a *complete anticipation* of the patent in suit. It says (brief, p. 21):

“The Inman patent, *pledged by any other defendant*, would invalidate the claims in suit.”

The plain implication is that if the Inman patent had disclosed *less* than complete anticipation it would have been proper, under the estoppel doctrine, for the Courts below to have found non-infringement because thereof. Thus, because petitioner asserts that the patent in suit discloses *nothing* of novelty and contributes *nothing* to the benefit of mankind, it is placed in a more favorable position than that

to which it would have been entitled if its disclosure had contained substantial novelty of actual technical or economic value. Strange and unrealistic indeed—and unjust as well—is a doctrine which would induce or permit the rejection of a sound, adequate defense because it is better or more complete than is required in order for it to prevail; and it might not be amiss to mention that it is well settled that a rule of equity should never be applied if its application results in injustice (see, for example, *Leo Feist Inc. v. Young*, 138 F. (2d) 972, at p. 975).

To soften this inescapable reaction, petitioner seeks to place respondent in a sphere by himself—to isolate him from the rest of the world and deprive him of the status of a member of the "public"—and all because he was the assignor of the patent. The argument is now reduced to the unqualified assertion that the patent in suit is invalid as against everyone else in the world, but it must be sustained as valid and infringed as against respondent. Of course, such an argument ignores, for want of answer thereto, the controlling language of *Westinghouse v. Formica, supra*, at page 351 where this Court adopted with approval the words of Mr. Justice LURTON (while a Circuit Judge) in *Noonan v. Chester Park Athletic Club Co.*, 99 F. at pages 90, 91:

"It seems to be well settled that the assignor of a patent is estopped from saying his patent is void for want of novelty or utility, or because anticipated by prior inventions. But this estoppel, for manifest reasons, does not prevent him from denying infringement. To determine such an issue, it is admissible to show the state of the art involved, that the court may see what the thing was which was assigned, and thus to determine the primary or secondary character of the patent assigned, and the extent to which the doctrine of equivalents may be invoked against an infringer. The court will not assume against an

assignor, and in favor of his assignee, anything more than that the invention presented a sufficient degree of utility and novelty to justify the issuance of the patent assigned, and will apply to the patent the same rule of construction, with this limitation, which would be applicable between the patentee and a stranger."

Thus, on the facts as they really are, and as we have shown them to be, without any question of *validity* there are *many* differences between the structure and operation of the machine of the patent in suit, on the one hand, and the accused machine of the expired Inman patent used by respondent, on the other hand. Therefore, under the doctrine of *Westinghouse v. Formica*, the claims of the patent in suit must be interpreted to include those differences as an "*essential element*". With such inclusion the claims obviously are not and cannot be infringed by respondent's Inman machine.

The fact that the Court of Appeals was of the opinion, expressly shared by petitioner, that utilization of the prior Inman patent to limit the claims of the patent in suit limited those claims to naught, is quite immaterial, and certainly affords no basis for petitioner to charge that respondent is "really" attacking the *validity* of the patent (brief, p. 3). Nor does it justify petitioner's rather specious argument that inasmuch as the patent assignor is estopped to question the *validity* of the patent he has assigned, and inasmuch as a patent claim which is limited to naught is invalid, respondent in this case is accomplishing by indirection what he could not accomplish directly.

As already pointed out hereinbefore, the practical significance of petitioner's contention is to add strength to doctrinal estoppel inversely in proportion to the value of the contribution to the arts made by the patent, so that the

lesser the contribution the stronger the doctrine, with the result that where the contribution is naught the doctrine is absolute—an utter absurdity.

It is submitted therefore that the Court of Appeals committed no error in its interpretation and application of this Court's decision in *Westinghouse v. Formica*, and its judgment should be affirmed.

POINT II.

Public policy as affecting patents also is determinative of this case.

The public policy underlying the grant of Letters Patent of invention is: The inventor having been given the right of exclusion for a period of seventeen years as a reward for disclosing his invention, the public at large, and every member thereof, acquires the absolute and uncontested right to use the invention upon the expiration of that period—the expiration of the patent grant. Free competition and unrestrained trade, basic axioms of our National philosophy and economy, are thus insured. Anything, regardless of its guise, which, without statutory sanction, lessens or eliminates competition or restrains trade, is adverse to the public interest. Thus, in the present case the mere fact that respondent assigned his patent to petitioner is not and cannot be made to be proper justification for depriving the public of the benefits that flow—and by the patent law were intended to flow—from the expiration of the Inman patent.

If necessarily follows, therefore, that neither the estoppel doctrine nor any other consideration that might be conjured up would or could justify a judgment in this case which would enjoin respondent from using the Inman machine after the expiration of the patent, therefor, for his benefit as a member of the public as well as for the benefit

of those members of the public that desire to purchase the unpatented commodities competitively made thereby. As this Court pointedly remarked (in *Mercoid Corp. v. Mid-Continent Investment Co.*, 320 U. S. 661, at p. 670), public policy is not at the mercy of the parties nor dependent upon the usual rules governing private litigation.

Therefore, because of public policy alone, the judgment of the Court of Appeals below was correct and should be affirmed.

• • • • •
The fact that the attempt has been made by petitioner in this case to use the equitable estoppel doctrine to effect a wholly unwarranted and unjust result, contrary to the public interest, induces the thought that this Court might consider whether or not there is any justification whatever for the existence or application of that doctrine in patent infringement cases. Because of that possibility we deem it desirable briefly to express our views thereon.

It is too well known to require citation of authority that when a patent is granted it carries with it merely a *presumption* of validity, which presumption may be overcome by anyone against whom the patent is sought to be enforced. Consequently, can there be any logical reason why, in the absence of fraud or deliberate misrepresentation, the patentee or assignor of a patent should be deprived of the right—possessed by every *other* member of the public—to overcome the presumption of validity if it is within his power to do so? The public policy of free competition and unrestrained trade is opposed to a patent remaining clothed in the aspect of validity when, in fact, it is invalid, and this Court as well as the lower Courts have frequently stated or implied that it is the duty of the Court to invalidate a patent, bad on its face, even if invalidity is not asserted by the litigants. (e. g. *Brown v. Piper*, 91 U. S. 37, 44; *Bresnick et al. v. Vitamin Corp.*, 139 F. (2d) 239, 242).

No proper answer to the dictates of public policy is petitioner's assertion (on p. 18 of its brief) that any royalty that Marcalus might be charged by petitioner for the privilege of using a patent which had expired would not be passed on to the public because "*he would be summarily enjoined*". Conceivably, respondent might be the only one prepared to compete with petitioner in the manufacture and sale of the unpatented commodity. Thus, competition might be *completely* eliminated, and the public subjected to absolute monopoly based on a patent void on its face. And this despite the unanswerable fact that there is no more legal justification, because of the Marcalus patent, for petitioner to be free from the competition to which it might be subject by the use of the machine of the expired Inman patent, than there would be for petitioner to be free from competition in the manufacture and sale of the unpatented commodity which the two machines produce.

But it is said by petitioner that the estoppel is *necessary* to prevent the patentee-assignor from attacking the title of that which he has assigned, and the usual analogue adopted (as in *Westinghouse v. Formica, supra*) is that of a deed of land. Obviously, the assertion completely loses sight of or ignores the fact that there is no actual analogy between real property and a patent grant; and that a simple patent assignment carries with it no warranty that the patent conveyed is *valid*. To the contrary, the patent conveyed has no greater validity than the mere presumption thereof which attached by its grant. The only warranty of the assignment is, as in a conveyance of land, as to the *title*—the ownership—of that which is conveyed. Therefore, there appears to be neither legal nor logical justification to stretch an implied warranty as to *title* to a patent to include the *validity* thereof. Especially is that the case where, as here, the assignment is made at the time the application is filed,

as distinguished from after the grant of the patent. When the application is filed not even a *presumption* of validity exists—merely a *hope* that a patent of *some* kind may be allowed, with no psychic prognostication as to its nature or scope. This Court is quite familiar with instances—of alarmingly increasing number in recent years—where an application for patent for one invention is filed, but for some unexplainable reason the patent issues years later describing or claiming a wholly different invention, and one, usually, which the applicant never made and never represented that he had made. Under such circumstances can there possibly be any logical or defensible ground for a doctrine which would estop the applicant-assignor from questioning or attacking the validity of such a patent? But the doctrine is dogmatic and inexorable. To sanction and apply it necessitates utter blindness to justice and deafness to logic. It becomes a fetish, the worship of which requires its acceptance as supreme and sufficient unto itself, in complete disregard of the fundamental principles of justice and jurisprudence of which it purports to be merely an insignificant part.

It is now well settled that doctrinal law must be regarded as subservient to public policy. Thus, in *Sola Electric Co. v. Jefferson Electric Co.*, 317 U. S. 173, the doctrine of estoppel which prevented a licensee under a patent from attacking its validity, was held by this Court not to apply when the license contained a price fixing covenant in contravention of the public right, and the licensee was permitted to show—as it did show—that the patent was invalid.

Again, recognition of public policy induced the Court of Appeals for the Second Circuit in *Nachman Spring Corp. v. Kay Manufacturing Company*, 139 F. (2d) 781, to expressly rule (at p. 783) that the doctrine of the *Sola* case is applicable to *any agreement which unreasonably restrains competition*.

Also, recognition by this Court of public policy formed the basis for the decision in *Mercoid Corp. v. Mid-Continent Investment Co., et al.*, 320 U. S. 661, wherein the doctrinal law of contributory infringement was vitiated in so far as and to the extent that it was in conflict with the public interest. In that case this Court said (at p. 669) :

"It is sufficient to say that in whatever posture the issue may be tendered Courts of equity will withhold relief where the patentee and those claiming under him are using the patent privilege contrary to the public interest."

Thus it is apparent that it is wholly immaterial how or in what guise unwarranted restraint of competition is sought to be effected—whether it be by contractual covenant, conduct, or doctrinal law—it may not be sanctioned in contravention to the public right.

The public is entitled to the benefit of unrestrained competition in any commodity, machine, or art not validly monopolized by a patent grant. And the public may not be deprived of that benefit by the existence or application of a doctrinal principle used as a device to restrain or eliminate competition. Certainly, no doctrine—such as that of estoppel here sought to be invoked—is a justification for depriving the public of the benefits that flow—and by the patent law were intended to flow—from the expiration of the Inman patent.

The inevitable consequence of any other conclusion is appalling. Conceivably, every manufacturer of machines usable in an art, merely by acquiring, temporarily holding, and then assigning the patent to another in the chain—whereby they each become an "assignor"—could be brought under the cloak of the estoppel doctrine and thereby enable the setting up of a worthless and invalid patent as a complete and dominating monopoly in the art, with

all of the inevitable, vicious consequences to a free economy with which this Court has been made familiar during the last decade. It is believed that no such complete disregard of the public interest can knowingly be sanctioned.

It is also believed that present day jurisprudence neither permits nor condones absurdities such as this. In *Lektophone Corp. v. Rola Co.*, 27 F. (2d) 758, because their acceptance would have resulted in "perversion of judicial function and defeat of justice", the Court rejected similar doctrinal principles, rather eloquently saying of them (at p. 761):

"Justice is more than these latter—is the substance whereof they are the shadows sometimes distorted."

Therefore, it is believed to be apparent that there is no proper place for the doctrinal law of estoppel in the administration of a patent right—a creature of statute—when such doctrinal law is so completely opposed to the public interest; and this Court would be fully justified in so stating in this case.

Conclusion.

The judgment of the Court below should be affirmed.

Respectfully submitted,

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